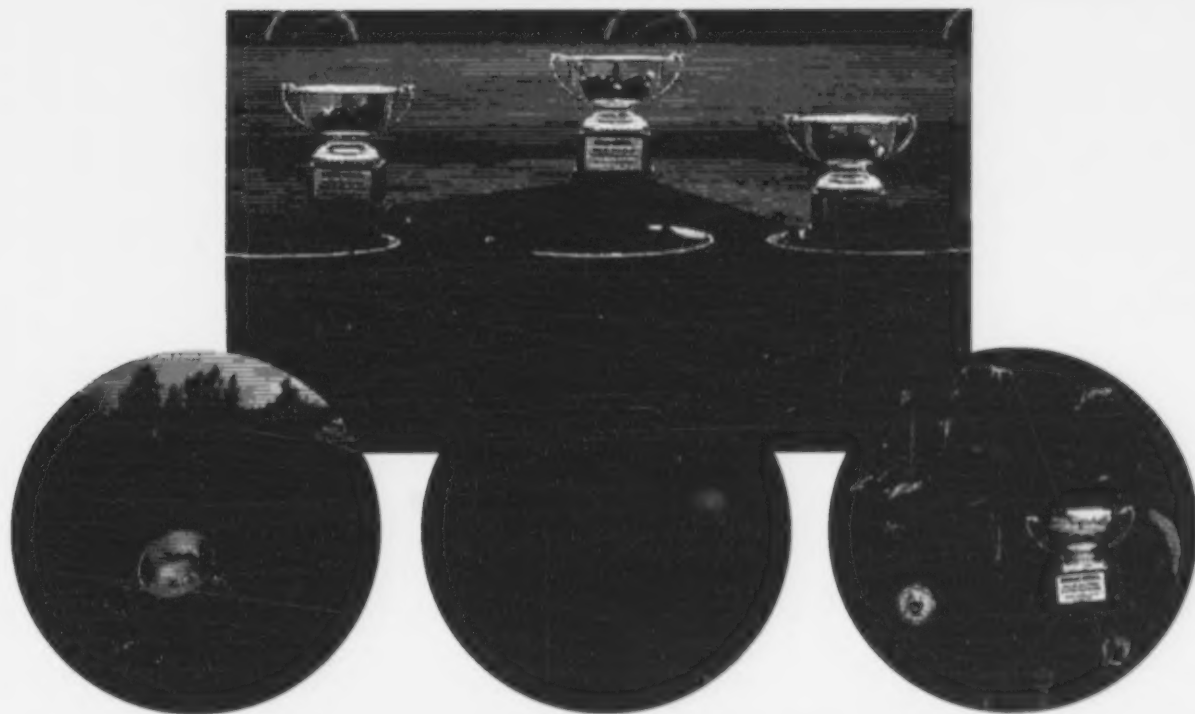


YUKON LOTTERY COMMISSION
ANNUAL REPORT 2008-2009



WINNING IN OUR COMMUNITIES



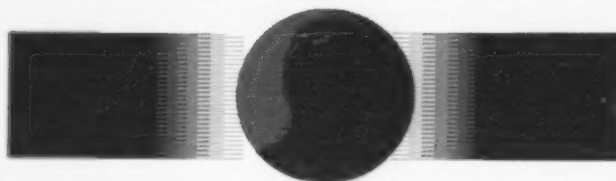


**Yukon Lottery Commission
Annual Report for the year ended
March 31, 2009**

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The Honorable Jim Kenyon
Minister Responsible for Yukon Lottery Commission
Government of Yukon

April, 2010

Dear Honorable Minister Kenyon,

I have the honour to present you with the Annual Report of the Yukon Lottery Commission for the fiscal year ended March 31, 2009.

Respectfully submitted,

Christine Duke
Chairperson
Yukon Lottery Commission

A MESSAGE FROM THE YUKON LOTTERY COMMISSION CHAIR

The Yukon Lottery Commission is created and mandated under the Public Lotteries Act and Regulations. Yukon Government appoints up to twelve members of the Commission for two year terms. To ensure a balanced representation of Yukon people appointments include members from a variety of backgrounds, from both genders and are drawn from rural and urban communities.

The Commission has two distinct roles; administration and management of the lottery retailers and the allocation of profits from the sale of lottery tickets. The retail role includes responsibility for the distribution of lottery tickets, engaging retailers, local advertising, providing information to retailers on games, and working with Western Canada Lottery Corporation (WCLC) on the management and conduct of lottery schemes in Yukon. The responsibility for the conduct of lottery schemes is shared through an agreement with WCLC. The Commission may also create retailer rules in addition to those created by WCLC. The ability to create additional rules and regulate retailer activities provides the Commission with the flexibility to address local issues and concerns regarding the management and conduct of public lotteries in Yukon.



The Commission allocates a portion of the revenues from the sale of lottery tickets to the Yukon Government; these funds are provided to the Yukon Recreation Advisory Committee and Yukon Arts Advisory Council (08/09 allocation was \$658,482). The remaining revenue supports Lotteries Yukon operations and the Yukon Lottery Commission funding programs for arts, sports, recreation and cultural projects in Yukon communities. In 2008/09 the Commission contributed over \$1 million dollars to non-profit sport, art and recreation groups. This funding is distributed through the Commission's Recreational Project Funding Program, Travel Assistance Program, and to municipalities and local authorities through the Community Lottery Fund. More detailed information on how the revenue from lottery ticket sales is distributed can be found in the Revenue Allocation, Approved Funding and Financial Statements sections of this Annual Report.



Recommendation #2: The government and Commission should make it a priority to conclude a Protocol Agreement to clarify the governance structure.

Update: The agreement to clarify roles and responsibilities is underway and is closely linked to a review of the existing legal structure for public lotteries in Yukon.

Recommendation #3: Lotteries Yukon should establish a formal written shared services agreement with Yukon Government.

Update: Lotteries Yukon was formerly associated with the Department of Community Services and now receives shared services under a corporate body that serves Yukon Housing Corporation, Yukon Liquor Corporation and the Yukon Lottery Commission. These organizations are in the process of establishing the corporate services function and an agreement to support these functions.

Recommendation #4: Yukon Government and Lotteries Yukon renegotiate the agreement with Western Canada Lottery Corporation.

Update: A request to renegotiate the agreement was submitted to Western Canada Lottery Corporation; it is expected that the agreement review and renegotiation will commence in 2010/11.

I would like to take this opportunity to thank the members of the Commission for their hard work and dedication over the past year and look forward to working with them in the new fiscal year.

In September 2008 the Yukon Government Audit Services Branch released the Report on the Audit of Lotteries Yukon. The following identifies the four key recommendations of the audit, the Commission's actions taken to date, and the remaining work required:

Recommendation #1: The responsibility for the day to day management and administration of Lotteries Yukon needs to be clarified to improve the governance structure.

Update: Role clarification for the Commission executive positions and the General Manager were completed in October 2008. A review of the Public Lotteries Act and the agreement with Western Canada Lottery Corporation is still required.



Melanie Graham

Melanie Graham, Chair

OPERATIONAL REPORT

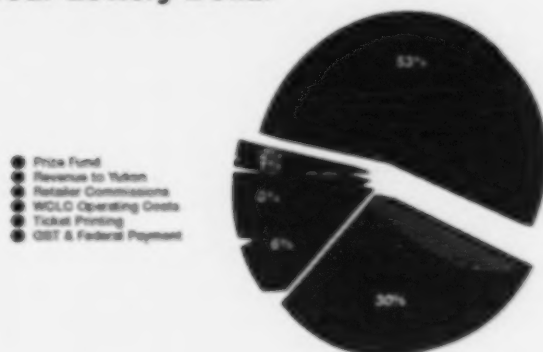
The administrative functions for the Yukon Lottery Commission are carried out by Lotteries Yukon. Lotteries Yukon provides support and services to: lottery retailers, lottery customers, non-profit organizations seeking funding, members of the public, and to the Yukon Lottery Commission. The retail portion of this work is supported through an agreement with Western Canada Lottery Corporation.

Yukon people continued to enjoy playing the lottery games offered through affiliation with the Western Canada Lottery Corporation (WCLC) and the Interprovincial Lottery Corporation (ILC) including national on-line games Lotto 6/49 and Super 7; and regional Keno, Sport Select, Extra, Western 649, PayDay, Pick 3 and Millionaire Life (month of February 2009). Instant Scratch 'N Win tickets continue to be the number one choice of Yukon lottery players, with Lotto 6/49 and on-line Keno as the next most popular games. In total, Yukon lottery ticket purchases were \$7,661,865.00.

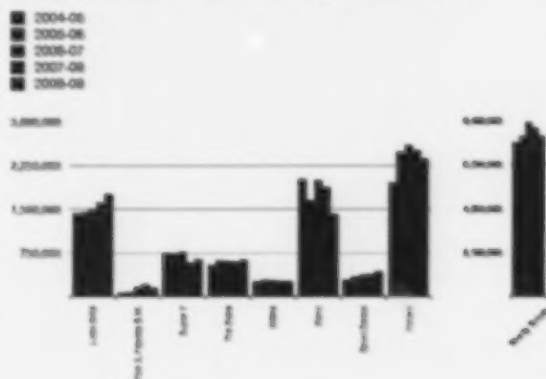
In 2008/09 there were 32 lottery ticket centre retail locations throughout the Yukon; 18 in the Whitehorse area and 14 in rural communities. These retailers provide direct or indirect employment for Yukon people and earn retail commission revenues representing approximately 6.5% of lottery ticket sales.

Working closely with Western Canada Lottery Corporation, the Lotteries Yukon staff provide service and support to Yukon lottery ticket centre retailers through staff training, product development, technical trouble shooting, and marketing/promotional materials and supplies. Lotteries Yukon staff also work with Western Canada Lottery Corporation on product development, implementation and monitoring; and communication materials. Communication materials such as *Northern Luck* showcase stories of northern winners and beneficiaries. The retailer publication, *Lottoline*, keeps retailers up to date on new games and policies/procedure requirements. The lottery industry requires the services of technicians, shipping/freight companies, electricians, printers and other businesses that contribute to the economy of the Yukon. Yukon Lottery Commission funding support for arts, sports and recreation projects also provides secondary benefits to local businesses and the economy in the form of goods and services purchased.

Your Lottery Dollar



Comparative Sales by Games



WCLC Lottery Dollar Disbursement 2008-09



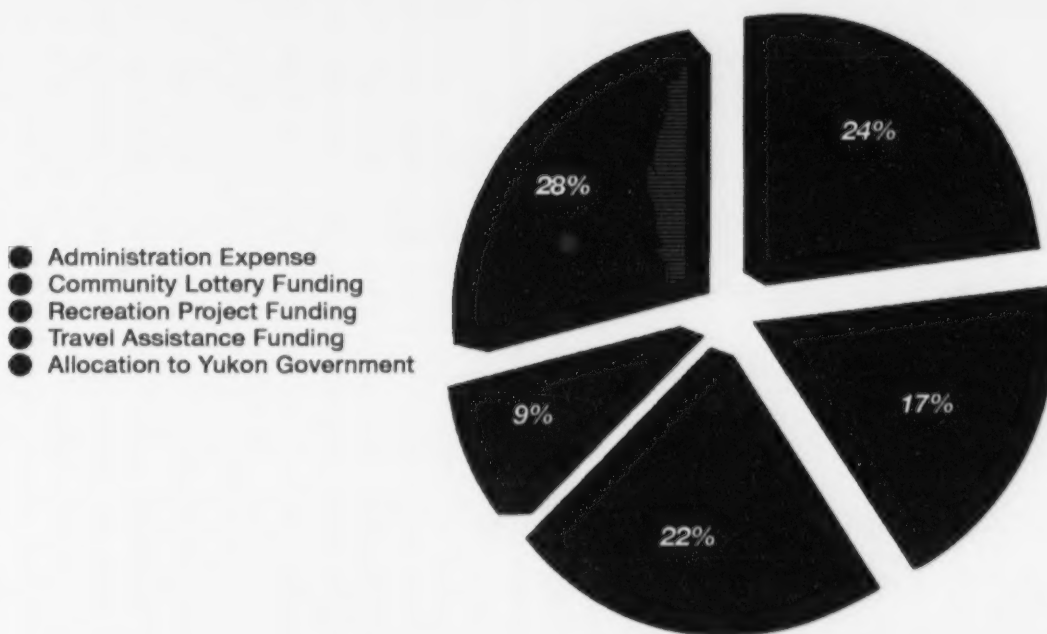
2008 was a busy year for retailers and Lotteries Yukon in terms of equipment upgrades and training on the new system. By July 2008 the upgrade of terminals, customer display units and network communication equipment for the Yukon lottery network was completed. What these upgrades mean for customers and retailers is quicker processing of lottery ticket transactions and customer protection measures to limit fraud. All retail locations now have self ticket checker units for customers to check their own tickets (Scratch 'N Win and online tickets) with retailers only required to validate winning tickets. These measures provide quicker service options for the retailer and customer, limit fraud and reinforce to customers their personal responsibility. "It's your ticket – sign it – check your numbers – validate it."



WHERE YUKON REVENUE GOES

The Yukon Lottery Commission is completely self sustaining; operating costs and costs for the Commission's community based programs are funded from the revenue earned through lottery ticket sales in Yukon. In addition, the Commission allocates a portion of the revenues to the Yukon Government to support recreation and the arts. The following provides a brief summary of where the lottery revenues go. Further detail on recipients and the amount of funding provided can be found on pages 10 through 13.

Where Yukon Revenue Goes



YUKON LOTTERY COMMISSION FUNDING PROGRAMS

COMMUNITY LOTTERY FUNDING

The Community Lottery Funding provides municipalities and local authorities with funding to support recreation and arts in their communities. Each community receives a base amount of \$8,000 plus \$12.00 per capita up to a population of 5,000 and \$3.25 per capita for populations over 5,000. The intent of the program is to enable local decision making to meet community needs and create equitable access to lottery revenues for all Yukon people.

RECREATIONAL PROJECT FUNDING PROGRAM

The Recreational Project Funding Program is application driven and provides non profit groups with funding to support community sport, art, recreation and cultural projects, special events or activities. Applications are accepted twice a year; April 15 and October 15. In 2008/09 \$578,000 of Recreational Project Funding was allocated to approved projects, special events or activities.

TRAVEL ASSISTANCE PROGRAM

The Travel Assistance Program provides funding to non-profit groups and extra-curricular high school groups to assist with travel costs to attend competitions or adjudicated events within and outside Yukon. Applications are accepted on an ongoing basis. The Travel Assistance Program is very popular; in 2008/09 69 applications were approved providing 1486 individuals with funding assistance. This program supports the development of amateur recreation (sport and arts) for Yukon people of all ages.

REVENUE ALLOCATED TO YUKON GOVERNMENT

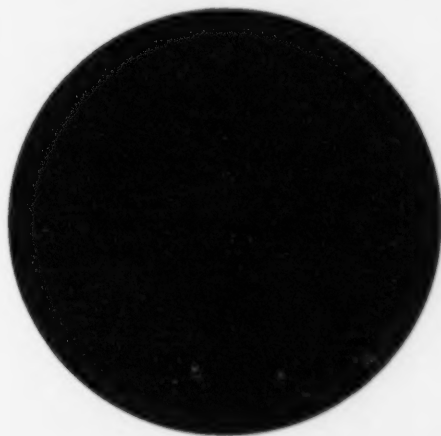
Lottery revenues supplement Yukon Government funding to recreation and to the arts. Funds for sport and recreation are distributed by the Yukon Recreational Advisory Committee and funding for the arts is distributed by the Yukon Arts Advisory Council.

REVENUE FOR THE ARTS

Lottery revenues to the Yukon Government for the arts are provided for under the Public Lottery Regulations and the Arts Act. Programs are administered by the Department of Tourism and Culture with the Yukon Arts Advisory Council assessing and making recommendations on funding applications to the Minister of Tourism and Culture.

Lottery revenue is used to support the Arts Operating Fund and the Advanced Artist Award. The Arts Operating Fund provides operating support to non-profit societies engaged in literary, visual and performing arts activities. Groups funded in 2008/09 under the Arts Operating Funds include:

All-City Concert Band Society
 Alsek Music Festival
 Association Franco-Yukonnaise
 Breakdancing Yukon Society
 Dawson City Music Festival
 Extremely Moving Youth Society
 Frostbite Music Society
 Guild Society
 Jazz Yukon
 Junction Arts and Music Society
 Longest Night Society
 Nakai Theatre Society
 Northern Fibres Guild
 Northern Lights School of Dance
 Society of Yukon Artists of Native Ancestry
 Sour Brides Theatre
 Village of Mayo – 2008 Mayo Arts Festival
 Whitehorse Community Choir
 Whitehorse Concerts
 Yukon Art Society
 Yukon Film Society
 Yukon International Storytelling Festival



The Advanced Artist Award provides funding assistance to advance Yukon visual, literary and performing artists and provides a foundation for the wide array of cultural products and events in the Yukon. Applications are reviewed by a jury of peers. In 2008/09 the Advance Artist Award was provided to:

Kim Barlow	Don Bishop
Marcelle Dube	Patti Flather
John Firth	Jessica Garstin
Valerie Hodgson	Jane Isakson
Lulu Keating	Nicholas Mah
Joyce Majiski	Celia McBride
Ryan McNally	Monika Melnychuk
Jesse Mitchell	Elvis Presley
Clea Roberts	Valerie Salez
Moiria Sauer	Candice Tarynowski
Anthony Trombetta	Morgan Whibley
Lena White	Jennifer Williams
Owen Williams	Judith Wong



REVENUE FOR SPORT AND RECREATION GROUPS

Lottery revenues to the Yukon Government for sport and recreation are provided for under the Public Lottery Regulations and the Recreation Act. Programs are administered by the Department of Community Services, Sport and Recreation Branch. The Yukon Recreation Advisory Committee review and make recommendations on funding applications to the Minister of Community Services. Lottery revenues contribute to funding programs for sport governing bodies, recreation groups, high performance athletes and officials, and Sport Yukon.

Sport governing bodies and recreational groups are funded for athlete/participant, leadership and organizational development; community development/special projects, and facility operations and maintenance. Funding for high performance officials supports official certification and upgrading. High performance athletes may receive funding to

assist with training and competition expenses. Sports and Recreation Groups that receive funding include:

Sports Groups

Alpine Ski	Athletics Yukon
Yukon Badminton	Basketball Yukon
Biathlon Yukon	Cross Country Yukon
Yukon Curling	Cycling Yukon
Yukon Freestyle Skiing	Yukon Golf Association
Yukon Gymnastic	Yukon Amateur Hockey
Yukon Horse & Rider	Judo Yukon
Yukon Orienteering	Snowboarding Yukon
Softball Yukon	Yukon Shooting Federation
Squash Yukon	Swimming Yukon
Synchro Yukon	Table Tennis Yukon
Tennis Yukon	Yukon Soccer Association
Yukon Amateur Speed Skating	

Recreation Groups

ElderActive Recreation Association
Girl Guides of Canada Yukon Council
Recreation & Parks Association Yukon
Skookum Jim Friendship Centre
Yukon Aboriginal Sport Development
Yukon Scout Council
Yukon Special Olympics

Sport Organization

Sport Yukon is a non-profit umbrella organization for sport in the Yukon. Members of Sport Yukon are territorial sport governing bodies, clubs and associations who offer a variety of sport, recreation and other community based programs. Lottery revenues provide core funding that enables Sport Yukon to deliver a variety of programs such as the Klondike Road Relay, Yukon Sports Hall of Fame, Kid's Recreation Fund, Sport Yukon Awards and educational conferences and workshops. Services provided to members include: administrative services, program registrations, office rental/building management, boardroom bookings and communication support. Sport Yukon also administers the participation of Yukon athletes in major games such as the Arctic Winter Games, Canada Games & Western Canada Summer Games.



COMMUNITY	ORGANIZATION	AMOUNT
BEAVER CREEK	Community Lottery Fund	9,164.00
		9,164.00
BURWASH LANDING	Community Lottery Fund	9,260.00
		9,260.00
CARCROSS	Community Lottery Fund	13,232.00
	Carcross Recreation Board	2,500.00
		15,732.00
CARMACKS	Community Lottery Fund	13,664.00
	Carmacks Family Entertainment Society	5,000.00
		18,664.00
DAWSON CITY	Community Lottery Fund	31,076.00
	DC Oldtimers Hockey (T)	4,994.64
	Dawson City Arts Society	22,000.00
	Dawson City Music Festival	5,310.00
	Dawson Ski Association	14,000.00
	North Klondike Highway Music Society	5,000.00
	Percy DeWolfe Memorial Race	9,885.00
	Robert Service School (T)	2,259.60
		94,525.24
DESTRUCTION BAY	Community Lottery Fund	8,576.00
		8,576.00
FARO	Community Lottery Fund	12,740.00
		12,740.00
HAINES JUNCTION	Community Lottery Fund	18,176.00
	Haines Junction Minor Hockey (T)	1,750.32
		19,926.32
KENO	Community Lottery Fund	8,240.00
		8,240.00
LORNE MOUNTAIN	Community Lottery Fund	12,440.00
		12,440.00
MARSH LAKE	Community Lottery Fund	13,064.00
	Marsh Lake Community Association	9,750.00
		22,814.00

NOTE: (T) signifies travel funds

COMMUNITY	ORGANIZATION	AMOUNT
MAYO	Community Lottery Fund	13,592.00
	JV Clark School (T)	507.60
	Mayo Community Club	71,500.00
		85,599.60
OLD CROW	Community Lottery Fund	11,012.00
		11,012.00
PELLY CROSSING	Community Lottery Fund	11,876.00
		11,876.00
ROSS RIVER	Community Lottery Fund	12,428.00
		12,428.00
TAGISH	Community Lottery Fund	10,652.00
	Tagish Community Association	2,000.00
		12,652.00
TESLIN	Community Lottery Fund	13,496.00
	Teslin Recreation Association	8,262.00
		21,758.00
UPPER LIARD	Community Lottery Fund	9,164.00
		9,164.00
WATSON LAKE	Community Lottery Fund	27,128.00
	Help & Hope for Families Society	1,400.00
	Southeast Yukon Proper Land Use Society	1,000.00
	Watson Lake Silvertip Hockey (T)	2,636.04
		32,164.04
WHITEHORSE	Community Lottery Fund	133,107.25
	All City Concert Band Society (T)	28,800.00
	Blue Feather Music Society	5,550.00
	F.H. Collins Secondary School (T)	3,102.24
	Canadian Ski Patrol - Yukon Zone	2,400.00
	Golden Age Society	4,664.00
	Guild Society	14,100.00
	Klondike Highland Dance	3,000.00
	Klondike Highland Dance (T)	1,000.00
	MacBride Museum Society	15,000.00
	Mountain View Golf Club	24,000.00
	Mountain View Golf Club (T)	800.00
	Porter Creek Secondary School (T)	5,220.00
	Second Opinion Society	450.00
	Takhini Heartbeaters Skipping Team (T)	2,400.00

NOTE: (T) signifies travel funds

COMMUNITY	ORGANIZATION	AMOUNT
WHITEHORSE (continued)		
	Vanier Band Parents Association (T)	2,129.44
	Vanier Catholic Secondary School (T)	3,800.00
	VeloNorth Cycling Association	1,580.00
	Whitehorse Cross Country Ski Club	75,000.00
	Whitehorse Curling Club (T)	1,800.00
	Whitehorse Glacier Bears Swim Club (T)	12,014.80
	Whitehorse Minor Hockey (T)	20,669.60
	Whitehorse Rapids Speed Skating Club (T)	3,000.00
	Whitehorse District Search & Rescue	3,300.00
	Whitehorse Youth Bowling (T)	1,000.00
		367,887.33
YUKON		
	Arctic Edge Skating Club	5,000.00
	Arctic Edge Skating Club (T)	4,800.00
	Basketball Yukon (T)	5,400.00
	Biathlon Yukon (T)	1,800.00
	Cross Country Yukon	9,400.00
	Cycling Association of Yukon	17,000.00
	Jazz Society Yukon	3,700.00
	Learning Disabilities Association of Yukon	5,000.00
	Nakai Theatre	5,000.00
	Northern Lights School of Dance	10,868.00
	Squash Yukon (T)	2,000.00
	Suzuki Strings Association of Yukon	4,000.00
	Synchro Yukon	4,095.00
	Synchro Yukon (T)	1,600.00
	Table Tennis Yukon (T)	3,400.00
	Tai Chi Association of Yukon	1,000.00
	Teegatha Oh Zheh	2,123.00
	Volleyball Yukon (T)	13,400.00
	Yukon Aboriginal Sport Circle (T)	2,796.00
	Yukon Amateur Hockey Association (T)	7,600.00
	Yukon Amateur Radio Association	16,500.00
	Yukon Art Society	6,345.00
	Yukon Art Society - Team YK Snow Sculpture (T)	1,400.00
	Yukon Arts Centre	66,000.00
	Yukon Association for Community Living	2,500.00
	Yukon Badminton Association	4,865.00
	Yukon Badminton Association (T)	2,672.40
	Yukon Bluegrass Music Society	16,100.00
	Yukon Broomball Association (T)	4,600.00
	Yukon Curling Association (T)	4,563.44
	Yukon Dance Festival Society (T)	2,600.00
	Yukon Film Society	7,000.00
	Yukon Fish & Game Association	5,000.00
	Yukon Jr. Association of Mushers (T)	1,029.60

NOTE: (T) signifies travel funds

COMMUNITY	ORGANIZATION	AMOUNT
	Yukon Shooting Federation (T)	400.00
	Yukon Soccer Association (T)	43,146.20
	Yukon Transportation Museum Society	6,020.00
		<u>300,723.64</u>

TOTAL CONTRIBUTIONS TO COMMUNITIES / APPLICANTS

Sponsorship Program - Top Up	48,000.00
TOTAL Y.L.C. ADMINISTERED CONTRIBUTIONS	48,000.00

GOVERNMENT OF YUKON ADMINISTERED FUNDING**CULTURAL SERVICES BRANCH**

Advanced Artist Award	-
Arts Operating Fund	-
TOTAL CULTURAL SERVICES BRANCH	250,223.00

SPORT & RECREATION BRANCH

High Performance Elite Athlete	-
High Performance Official	-
Sport Governing Bodies	-
YRAC Recreation Groups	-
TOTAL SPORT & RECREATION BRANCH	408,259.00

TOTAL FUNDS RELEASED FOR YUKON GOVERNMENT	\$658,482.00
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TOTAL FUNDING APPROVED / RELEASED	\$1,803,828.17
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UNCLAIMED CONTRIBUTIONS	\$70,008.00
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TOTAL CONTRIBUTIONS / FUNDS RELEASED	\$1,733,820.17
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NOTE: (T) signifies travel funds

**CHARTERED
ACCOUNTANTS**

MacKay LLP

mackay.ca**Auditors' Report****To the Members of the
Yukon Lottery Commission**

We have audited the balance sheet of Yukon Lottery Commission as at March 31, 2009 and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the Yukon Lottery Commission as at March 31, 2009, and the result of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Whitehorse, Yukon

June 9, 2009

Mackay LLP

Chartered Accountants

Yukon Lottery Commission

Statement of Revenue and Expenditures

For the year ended March 31,	2009	2008
Revenue		
Commissions - Western Canada Lottery Corporation	\$ 2,338,850	\$ 2,267,868
Break-open tickets (schedule 1)	42,311	81,418
Interest	96,368	87,751
Terminals	8,225	8,230
	2,485,754	2,445,057
Administration Expenses		
Advertising and promotion	6,811	10,036
Amortization	2,480	3,400
Computer supplies and support	-	125
Insurance	1,528	1,543
Leased equipment	3,813	3,928
Miscellaneous	940	740
Office supplies	12,060	14,517
Postage and freight	8,064	7,177
Professional fees	9,859	8,736
Rent	46,224	41,883
Retail	3,510	5,165
Telephone	6,366	6,027
Travel and training	1,613	4,890
Wages and benefits	349,143	367,848
	481,485	487,829
Commission Meeting and Program Expenses		
Directors' honoraria, travel and meetings	47,828	48,869
Public relations	8,827	7,881
Retailer incentive	18,100	13,427
Sponsorship program	22,680	22,906
	97,433	91,062
Total Expenses	548,838	558,891
Excess of revenue over expenditures before Grants and Contributions	1,996,916	1,886,166
Grants and Contributions		
Application grants, projects	222,322	258,670
Application grants, travel	201,100	257,149
Application grants, major projects	295,100	244,983
Community Lottery Funding	392,087	396,053
Sponsorship program - top up	48,000	21,000
Unclaimed Grants	(70,006)	(115,834)
Government of Yukon - sport, arts & recreation funding (note 10)	658,482	662,037
Total Grants and Contributions	1,737,983	1,704,158
Excess of revenue over expenditures	\$ 188,833	\$ 182,008

Yukon Lottery Commission

Statement of Changes in Net Assets

For the year ended March 31,

	Unrestricted Net Assets	Invested in Capital Assets	Restricted for Working Capital	Restricted for Contingencies	Restricted for Major Projects	Restricted for Travel
Balance, beginning of year	\$ 132,572	\$ 10,582	\$ 100,000	\$ 472,608	\$ 339,590	\$ 104,137
Excess (deficiency) of revenue over expenditures	577,910	(2,736)	-	-	(276,538)	(171,355)
Investment in Capital Assets (note 5)	(864)	864	-	-	-	-
Transfers to Restricted	(838,631)	-	-	10,080	482,688	145,863
Balance, end of year	\$ 71,187	\$ 8,490	\$ 100,000	\$ 482,688	\$ 545,740	\$ 76,645

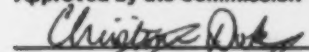
	2009		2008	
	Restricted for Breakopen	Restricted for Future Application Grants	Total	Total
Balance, beginning of year	\$ -	\$ 266,245	\$ 1,425,714	\$ 1,243,408
Excess (deficiency) of revenue over expenditures	42,554	-	169,835	182,008
Investment in Capital Assets (note 5)	-	-	-	-
Transfers to Restricted	(42,554)	42,554	-	298
Balance, end of year	\$ -	\$ 308,799	\$ 1,595,549	\$ 1,425,714


Yukon Lottery Commission

Balance Sheet

As at March 31,	2009	2008
Assets		
Current		
Cash	\$ 1,181	\$ 2,380
Funds held in trust (note 3)	2,838,125	2,575,194
Accounts receivable	444,505	384,148
Inventory	6,022	4,758
Prepaid expenses	13,054	6,509
	3,302,867	2,972,989
Capital assets (note 5)	8,489	10,561
	\$ 3,311,356	\$ 2,983,550
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 151,298	\$ 144,408
Committed grants	1,584,511	1,413,430
	1,715,807	1,557,838
Commitments (note 7)		
Net Assets		
Net assets invested in capital assets	8,489	10,562
Net assets restricted for working capital	100,000	100,000
Net assets restricted for contingencies	482,688	472,608
Net assets restricted for major projects	545,740	339,590
Net assets restricted for travel	78,645	104,137
Net assets restricted for breakopen	-	-
Net assets restricted for future grants	308,799	266,245
Unrestricted	71,187	132,572
	1,595,549	1,425,714
	\$ 3,311,356	\$ 2,983,550

Approved by the Commission

 Chair

 Member

Yukon Lottery Commission

Statement of Cash Flows

For the year ended March 31,	2009	2008
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 169,835	\$ 182,008
Item not affecting cash		
Amortization	2,736	3,696
Changes in non-cash operating capital		
Accounts receivable	(60,357)	146,369
Prepaid expenses	(6,545)	2,705
Inventory	(1,264)	1,897
Accounts payable and accrued liabilities	6,890	(54,363)
Committed grants	151,081	(45,732)
	262,376	236,580
Investing activities		
Purchase of capital assets	(664)	-
Increase (decrease) in cash	261,712	236,580
Cash, beginning of year	2,577,574	2,340,994
Cash, end of year	\$ 2,839,286	\$ 2,577,574
Represented by:		
Cash	\$ 1,161	\$ 2,380
Funds held in trust	2,838,125	2,575,194
	\$ 2,839,286	\$ 2,577,574

Yukon Lottery Commission
Notes to Financial Statements

March 31, 2009

1. Significant Accounting Policies

The commission was created under the provisions of the Public Lotteries Act of the Yukon and is responsible for the conduct and management of public lotteries in the Yukon, including the distribution and administration of funds received from government sanctioned lotteries. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Capital assets

Capital assets are recorded at original cost less accumulated amortization. Amortization is calculated by the declining balance method over the estimated useful life of the capital assets at the rates set out in note 5.

(b) Inventory

The inventory of promotional items is valued at the lower of cost and replacement cost.

(c) Grants and contributions

Grants are treated as expenditures at the time the grants are approved by the Commission. All unpaid, but approved grants, are included as committed grants. Approved grants which are not claimed within the required time frame are reversed as unclaimed grants.

(d) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the commission are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

(e) Restricted net assets

Restricted net assets are created when designated as restricted by the Yukon Lottery Commission. The restricted net assets represent segregation of funds by the Yukon Lottery Commission for certain specified expenditures. Such funds may be supplemented by a transfer from general operating funds.

(f) Deferred method

The commission follows the deferred method of accounting for grants and contributions.

(g) Measurement of uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates.

2. Changes in accounting policies

Effective April 1, 2008, the Commission implemented the new CICA Handbook Section 1506 "accounting changes". Under these new recommendations, voluntary changes in accounting policy are permitted only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and requires enhanced disclosures about the effects of change in accounting policies, estimates and error on the financial statements.

These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued that the Commission has not adopted because they are not yet effective.

Yukon Lottery Commission

Notes to Financial Statements

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The impact of the adoption of this Section did not have an impact on the Commission's financial statements.

General standards for financial statement presentation

The CICA has amended Handbook Section 1400 "General standards of financial presentation, effect for periods beginning on or after January 1, 2008 to include requirements to assess and disclose the Commission's ability to continue as a going concern. The adoption of this new section did not have an impact on the Commission's financial statements.

Financial Instruments

In December 2006, the CICA issued Handbook Section 3862, "Financial Instruments - Disclosures" and Section 3863, "Financial Instruments - Presentation". Originally required to be implemented for fiscal years beginning on or after October 1, 2007, the CICA has extended the implementation date for one year, to fiscal years beginning on or after October 1, 2008. Management now intends to implement these Sections effective April 1, 2009.

Section 3862 establishes standards for disclosures about financial instruments and non-financial derivatives and identifies the information that should be disclosed about them. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. Transitional provisions are complex and vary based on the type of financial instrument under consideration. The effect on the organization's financial statements is not expected to be material.

Capital Disclosures

Effective April 1, 2008 the company adopted the Canadian Institute of Chartered Accountants Handbook Section 1535 - Capital disclosures. Under the requirements of the new standard, the company will disclose information regarding its compliance with any externally imposed capital requirements and the consequences of any non-compliance. There are no externally imposed capital requirements and therefore there was no impact on the disclosures required.

3. Funds Held In Trust

All general funds of the commission are held in trust for the Commission by the Government of Yukon.

4. Restricted Net Assets

The Commission has internally restricted net assets of \$1,524,362 (2008- \$1,293,142) to provide for contingencies, an even level of funding, travel, future major projects, future grants. These internally restricted amounts are not available for other purposes without approval of the Commission members.

Yukon Lottery Commission

Notes to Financial Statements

March 31, 2009

5. Capital Assets

	Rate	Cost	Accumulated Amortization	2009 Net book Value	2008 Net book Value
Furniture and equipment	20%	\$ 54,414	\$ 50,081	\$ 4,353	\$ 4,854
Break-open machines	20%	29,258	28,977	281	401
Computer hardware	30%	47,347	43,492	3,855	5,506
Computer software	100%	1,844	1,844	-	-
		\$ 132,863	\$ 124,174	\$ 8,489	\$ 10,561

6. Allocation of Excess of Revenue Over Expenditures

The excess of revenue over expenditures is allocated to net assets according to the source of the revenue or expenditure as shown below:

	Unrestricted	Capital Assets	Major Projects	Travel	Break- open	Restricted for Future Application Grants
Excess of revenue over expenditures	\$1,208,126	\$ -	\$ -	\$ -	\$ 42,311	\$ -
Grants allocated	(614,409)	-	(285,100)	(201,100)	-	-
Amortization	2,493	(2,736)	-	-	243	-
Transfers	-	-	-	-	-	-
Sponsorships	(48,000)	-	-	-	-	-
Unclaimed Grants	31,700	-	8,582	29,745	-	-
	\$ 577,910	\$ (2,736)	\$(276,538)	\$(171,355)	\$ 42,554	\$ -

7. Commitments

The Commission has a lease for office space until May 2010 which requires future minimum lease payments as follows:

2010	\$44,550
2011	\$ 7,425

8. Capital Management

The Commission considers its Net Assets represent the Commission's capital. The Commission manages its capital in such a manner that there is sufficient working capital available to ensure the Commission is able to continue its operations without suffering cash short falls, and has sufficient funds to provide grants and contributions to eligible recipients and funding to the Government of Yukon for Sport, Arts, and Recreation.

Yukon Lottery Commission

Notes to Financial Statements

March 31, 2009

9. Commitments (continued)

The commission has commitments to sponsorship grants totaling \$98,000 to the following organizations:

Kluane Chilkat Bike Relay Association:	\$10,000 for 2009/2010
	\$10,000 for 2010/2011
	\$10,000 for 2011/2012
Klondike Trail of '98 Road Relay:	\$15,000 for 2009/2010
	\$15,000 for 2010/2011
Yukon Music Camp Society:	\$12,000 for 2009/2010
	\$12,000 for 2010/2011
	\$12,000 for 2011/2012

10. Committed to Yukon Government

	2009	2008
Excess of revenue over expenditures before grants and contributions	\$ 1,906,918	\$ 1,886,166
Less: Break-open revenues	(42,311)	(81,418)
	1,864,607	1,804,748
Change in Contingency Reserve (prior year less current year)	(10,080)	26,390
Transfer to Major Projects (20% of revenue excluding breakopens)	(482,669)	(472,728)
Total available for grants	1,371,838	1,358,410
Less: Available for Applicant Grants (52%)	(713,356)	(706,373)
Available for YRAC top up	\$ 658,482	\$ 652,037
Available for Sport and Recreation Branch (at 62% of YRAC top up)	\$ 408,259	\$ 404,263
Available for Arts Branch (at 38% of YRAC top up)	250,223	247,774
Total allocated to Government of Yukon	\$ 658,482	\$ 652,037

11. Future changes to accounting policies

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The impact of the transition to IFRS on the Commission's financial statements has not yet been determined.

Yukon Lottery Commission

Schedule 1 - Break-open Tickets

For the year ended March 31,	2009	2008
Revenue		
Commission - Break-open tickets	\$ 102,530	\$ 133,361
Expenditures		
Advertising and promotion	697	918
Amortization	243	295
Computer	-	11
Directors' honoraria, travel and meetings	4,892	4,287
Insurance	156	141
Leased equipment	390	359
Miscellaneous	97	68
Office supplies	1,233	1,328
Postage and freight	824	656
Professional fees	1,009	799
Public relations	904	720
Rent	4,626	3,832
Retail	4,087	839
Retailer incentive	2,211	1,701
Sponsorship	2,320	2,095
Telephone	650	734
Training	32	163
Travel	133	267
Wages and benefits	35,715	32,730
	60,219	51,943
Excess of revenue over expenditures	\$ 42,311	\$ 81,418

